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1960/02/17

NSC BRIEFING

17 February 1960

CUBA

- I. Mikoyan's visit marks definite espousal of Castro regime by Soviet Union.
 - A. USSR has shifted from cautious attitude to one of active support.
 - B. Close economic ties established with signing of trade agreement and Soviet extension of \$100,000,000 economic aid credit.
 - C. Both governments have expressed intention of collaborating actively in UN.
 - D. Diplomatic relations also expected to be resumed soon.
- II. New trade agreement calls for USSR to buy nearly 5,000,000 tons of Cuban sugar in next five years, over three times Soviet purchases from Cuba in recent years.
 - A. In 1960 for example USSR will be taking about 17% of Cuba's sugar export.
 - B. Under new agreement, only one-fifth of total purchases to be paid for in cash and Cuba for first time will be required to accept significant quantities of Soviet goods.
 1. Soviet-Cuba trade will be nearly 10 percent of Cuba's foreign trade.
- III. The \$100,000,000 economic aid credit is to be supplied in form of agricultural equipment and industrial machinery during next five years.
 - A. Soviet technicians will also be supplied under the credit.

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- IV. No mention of arms in official communique and thus far no evidence arms deal has been made.
- A. But at official reception Mikoyan, in answer to question, expressed Soviet readiness to provide military aircraft if requested.
- B. Castro regime probably sought an offer of arms having thus far been unsuccessful in procuring aircraft from Western sources.
- C. One of our sources, who [REDACTED], reported following incident [REDACTED] rice cooperative in Camaguey:
1. Castro addressed workers and painted optimistic picture of future Cuban-Soviet trade. He enumerated items Cuba would receive. Crowd roared "and guns and planes too," to which Mikoyan replied, through interpreter, "Yes, guns and planes too."
- V. Rapidity of govt's moves toward close ties with USSR and intensification of controls over business, finance, labor, and freedom of expression have aroused some opposition among middle and upper class and among students.
- A. But the anti-Castro groups both inside and outside the country lack organization and effective leadership.
- VI. Leftist trend in Cuba appears certain to continue.
- A. Elimination of anti-Communists, especially in labor, still going on.
- B. Govt slant on every issue is toward alienation of Cuban masses from US.

C. President of Cuban Electric Company, one of largest American investments in Cuba, informed Embassy 12 February that he believes company will soon be taken over under new law.

VIII. Foreign Minister Roa is reported to have been instructed to study Guantanamo base agreement with view to drafting note to US for revision and Cuba may try to compel US withdrawal from the base.